

Measuring Price Change for Inbound Ocean Liner Freight in the U.S. Import/Export Price Indexes



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The Bureau of Labor Statistics (BLS) Inbound Ocean Liner Freight Index measures changes in ocean liner freight rates for shipments to the United States. The ocean liner freight index was first published in 1990 on a quarterly basis. In January 2005, BLS began publishing the index monthly. This index was discontinued in 2008. BLS publishes international services price indexes for air freight and air passenger fares. Historical data are available for crude oil tanker freight and ocean liner freight (<http://www.bls.gov/web/discsrv.htm>), education (<http://www.bls.gov/web/srv3.htm>) and travel and tourism services (<http://www.bls.gov/web/srv2.htm>).

The Inbound Ocean Liner Freight Index reflects changes in rates paid for the transportation of freight from foreign countries into the U.S. on ocean liner vessels regardless of the nationality of either the shipper or the vessel operator/owner. Ocean liner vessels operate by definition via regular schedules. They differ from tramp and tanker ocean shipping services in that these latter vessels operate irregular schedules determined by negotiation between shipper and ship owner and generally carry bulk goods and liquid commodities, respectively. BLS only measures inbound container loads.

The U.S. Department of Commerce's Bureau of Economic Analysis (BEA) is a primary user of the Inbound Ocean Liner Freight Index. BEA uses the index to adjust the Balance of Payments Accounts and to deflate the Gross Domestic Product.

Sample Design and Selection

BLS uses the U.S. Maritime Administration's TM381 file as the sampling source for the Inbound Ocean Liner Freight Index. The data contained in this file include: date of entry, U.S. port of entry, foreign port, vessel name, shipping weight, operator, service type, commodity type, and customs value.

A sample of company-routes representative of inbound ocean liner freight transportation is selected by probability methods from the TM381 file. A company-route consists of a vessel transporting freight between the city of origin and its U.S. destination. Each ocean liner freight item in the index is defined by the following characteristics: service route, commodity type, container size, type of rate (service contract or tariff), and applicable surcharges.

Pricing

Pricing data for the Inbound Ocean Liner Freight Index are obtained directly from ocean liner freight operators on a monthly basis, reflecting transaction prices for the first week of the month. The index uses a net freight rate, adjusted by applicable commissions, discounts, or surcharges. For example, the service contract rate for shipping a 20-foot container load of tires from Kyoto, Japan, to Long Beach, CA, might include a bunker adjustment factor, origin receiving charges, destination delivery charges, and a peak season surcharge.

The scope of the service measured is ocean transportation from port to port only. The shipping rate does not include ground transportation or port service.

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Trade Value Weights

The revenue weights used for the trade value for index calculation are derived from a regression analysis of data from the Maritime Administration's TM381 file. The weights are updated every five years. This index currently is based on year 2005 trade values.

Additional Information

Additional information on the U.S. Import/Export Price Indexes can be found in "International Price Indexes," *BLS Handbook of Methods*, Bulletin 2490 (Bureau of Labor Statistics, 1997), Chapter 15. This chapter also is available on the BLS Internet site (<http://www.bls.gov/mxp>) under the topic "Publications." You may contact the International Price Program of BLS by telephone at (202) 691-7101 or by e-mail at mxpinfo@bls.gov.

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